

**IN THE CLAIMS:**

**Please amend Claim 21, and add new Claim 24.**

1. (Currently Amended) A method of using a computer system for implementing a mortgage plan and preparing mortgage documents specifying payment obligations of a borrower to a lender concerning an asset which is subject to a mortgage, the mortgage plan including an equity participation mortgage obligation in which the borrower is obligated to share with the lender a predetermined percentage of realized appreciation upon sale of the asset, comprising the steps of:

inputting data into the computer system regarding the terms of the mortgage, including the principal amount and an amortization period;

using the computer system to calculate annual average principal and periodic payment obligations of the borrower accruing under the mortgage obligation; and

using the computer system to prepare one or more mortgage documents which specify the equity participation mortgage obligation, including a compensation component returned to the lender and a principal repayment component, that timing of equity participation is indeterminable, ~~may occur prior to the maturity date~~, and is controlled by the borrower, and that the lender shares in a predetermined percentage of realized appreciation on subsequent sale of the asset which is the subject of the mortgage.

2. (Original) The method of Claim 1, further comprising the step of preparing mortgage documents which do not require the borrower to pay interest on the mortgage principal amount.

3. (Original) The method of Claim 1, further comprising the step of preparing mortgage documents which permit the sale of the asset in the event of a default in payments by the borrower.

4. (Original) The method of Claim 1, further comprising the step of preparing mortgage documents which limit the lender's predetermined percentage of the realized appreciation on the subsequent asset sale to a specified percentage of the total realized appreciation value.

5. (Original) The method of Claim 1, further comprising the steps of:  
    using the computer system to calculate the average mortgage principal outstanding during the amortization period; and  
    using the computer system to prepare mortgage documents which limit the lender's predetermined percentage of the realized appreciation on the subsequent asset sale to an amount no greater than an amount equal to a predetermined percentage annual return on the average mortgage principal outstanding during the amortization period, plus a specified percentage of the total amortization period return thereafter.

6. (Original) The method of Claim 1, further comprising the step of using the computer system to calculate a minimum total return for the lender which may exceed the predetermined percentage of realized appreciation on the subsequent sale of the asset.

7. (Original) The method of Claim 1, wherein the mortgage documents specify a termination date for the mortgage which is synchronous with the sale of the asset subject to the mortgage.

8. (Original) The method of Claim 1, wherein the mortgage documents specify that the repayment of any existing principal is synchronized with the sale of the asset subject to the mortgage.

9. (Original) The method of Claim 1, wherein the mortgage documents specify that the payment of all obligations owed by the borrower to the lender is synchronized with the sale of the asset subject to the mortgage.

10. (Currently Amended) A computer system for implementing a mortgage plan and preparing mortgage documents specifying payment obligations of a borrower to a lender concerning an asset which is subject to a mortgage, the mortgage plan including an equity participation mortgage obligation, comprising:

at least one computer including a central processing unit and a memory, for receiving data regarding the terms of the mortgage, including the principal amount and an

amortization period, within the computer system;

the at least one computer calculating annual average principal and periodic payment obligations of the borrower accruing under the mortgage obligation, and preparing one or more mortgage documents which include the equity participation mortgage obligation and which specify that the lender shares in a predetermined percentage of realized appreciation on subsequent sale of the asset which is subject to the mortgage, and that timing of equity participation with the lender is indeterminable, ~~may occur prior to the maturity date~~, and is controlled by the borrower.

11. (Currently Amended) A method of using a computer system for implementing a mortgage plan and or preparing one or more mortgage documents specifying payment obligations of a borrower to a lender concerning an asset which is subject to a mortgage having a maturity date, the mortgage plan specifying an equity participation mortgage obligation in which the lender receives a predetermined portion of realized appreciation in the asset during the life of the mortgage, comprising the steps of:

inputting data into the computer system regarding the terms of the mortgage, including the principal amount and an amortization period;

calculating annual average principal and periodic payment obligations of the borrower accruing under the mortgage obligation; and

preparing the one or more mortgage documents, the one or more mortgage documents specifying: the equity participation mortgage obligation; that the lender shares in a predetermined percentage of the realized appreciation on subsequent sale of the asset which is

the subject of the mortgage; that timing of equity participation with the lender is indeterminable; ~~may occur prior to the maturity date~~; and is controlled by the borrower; and that prior to sale or maturity of the asset, the amount of principal paid by the borrower pursuant to the mortgage exceeds the amount of current interest paid by the borrower.

12. (Previously presented) The method of Claim 11, wherein the one or more mortgage documents also specify that the borrower incurs a financial penalty for an early sale of the asset.

13. (Previously presented) The method of Claim 12, wherein the mortgage terms include a down payment by the borrower, and wherein the penalty is the forfeiture of a predetermined percentage of the down payment.

14. (Previously presented) The method of Claim 12, wherein the penalty continuously declines over a predetermined initial term of the mortgage.

15. (Previously presented) The method of Claim 11, wherein the one or more mortgage documents also specify a termination date for the mortgage which is synchronous with the sale of the asset subject to the mortgage.

16. (Previously presented) The method of Claim 11, wherein the one or more mortgage documents also specify that repayment of any existing principal is synchronized with

sale of the asset subject to the mortgage.

17. (Currently Amended) A method of using a computer system for implementing a mortgage plan and for preparing one or more mortgage documents specifying payment obligations of a borrower to a lender concerning an asset which is subject to a mortgage, the mortgage plan specifying an equity participation mortgage obligation in which the lender receives a predetermined portion of realized appreciation in the asset during the life of the mortgage, comprising the steps of:

inputting data into the computer system regarding the terms of the mortgage, including the principal amount and an amortization period;

calculating annual average principal and periodic payment obligations of the borrower accruing under the mortgage obligation; and

preparing the one or more mortgage documents, the one or more mortgage documents specifying: the equity participation mortgage obligation; that the lender shares in a predetermined percentage of the realized appreciation on subsequent sale of the asset which is the subject of the mortgage; and that timing of equity participation with the lender is indeterminable, ~~may occur prior to the sale of the asset~~; and is controlled by the borrower;

wherein the lender receives capital gain tax treatment on its portion of the realized appreciation of the asset upon the sale or transfer of the asset.

18. (Previously presented) The method of Claim 17, further comprising the steps of: calculating the average mortgage principal outstanding during the amortization

period; and

preparing one or more mortgage documents which, upon sale of the asset, limit the lender's share of the realized appreciation of the asset to an Amortization Period Return.

19. (Previously presented) The method of Claim 18, wherein the mortgage documents do not specify a maturity date and the sale of the asset occurs after the amortization period has been completed, and further comprising the step of preparing the one or more mortgage documents to specify that the lender's share of the realized appreciation of the asset comprises the sum of the Amortization Period Return and a Post-Amortization Period Return.

20. (Previously presented) The method of Claim 18, wherein the lender's share of the realized appreciation of the asset comprises the lesser of: (1) a specified percentage of the total realized appreciation value; or (2) the sum of the Amortization Period Return and the Post-Amortization Period Return.

21. (Currently Amended) A method of using a computer system for implementing a mortgage plan and for preparing one or more mortgage documents specifying payment obligations of a borrower to a lender concerning an asset which is subject to a mortgage which need not have a maturity date, the mortgage plan specifying an equity participation mortgage obligation in which the lender receives a predetermined portion of realized appreciation in the asset during the life of the mortgage, comprising the steps of:

inputting data into the computer system regarding the terms of the mortgage,

including the principal amount and the amortization period;

calculating annual average principal and periodic payment obligations of the borrower accruing under the mortgage obligation; and

preparing the one or more mortgage documents, the one or more mortgage documents specifying: the equity participation mortgage obligation; that the lender shares in a predetermined percentage of the realized appreciation on subsequent sale of the asset which is [the] subject to [of] the mortgage; that timing of equity participation with the lender is indeterminable, ~~may occur prior to the asset sale or maturity date, if applicable,~~ and is controlled by the borrower; and that prior to sale or transfer of the asset, the entire amount of the mortgage payments made by the borrower are applied to the principal amount.

22. (Canceled)

23. (Canceled)

24. (New) A method of using a computer system for implementing a mortgage plan and preparing mortgage documents specifying payment obligations of a borrower to a lender concerning an asset which is subject to a mortgage, the mortgage plan including an equity participation mortgage obligation in which the borrower is obligated to share with the lender a predetermined percentage of realized appreciation upon sale of the asset, comprising the steps of:

inputting data into the computer system regarding the terms of the mortgage, including the principal amount and an amortization period;

using the computer system to calculate annual average principal and periodic payment obligations of the borrower accruing under the mortgage obligation; and

using the computer system to prepare one or more mortgage documents which specify the equity participation mortgage obligation, including a compensation component returned to the lender and a principal repayment component, that timing of equity participation is controlled by the borrower, and that the lender shares in a predetermined percentage of realized appreciation on subsequent sale of the asset which is the subject of the mortgage.